

(ACA) as 100% additionality. ACA is passed on to the States on the same terms as Normal Central Assistance, which entails 30% of funds being released as grants and 70% as loans. For the special category States, the ratio of grant and loan is 90% and 10%, respectively. The State-wise total foreign assistance provided during each of the last three years in the form of Additional Central Assistance is given in the enclosed Statement.

#### STATEMENT

*Statement showing state-wise Additional Central Assistance Released during the last three years*

(Rs. cores)

S.No.	State	ACA Released 1993-94	ACA Released 1994-95	ACA Released 1995-96
1	2	3	4	5
1.	Andhra Pradesh	893.65	570.38	444.10
2.	Assam	3.64	6.67	2.81
3.	Bihar	24.89	72.01	32.02
4.	Goa	0.00	0.73	0.11
5.	Gujarat	147.45	141.05	106.12
6.	Haryana	79.56	74.92	87.52
7.	Himachal Pradesh	38.61	38.20	40.16
8.	Jammu & Kashmir	7.87	11.10	6.51
9.	Karnataka	349.40	373.90	145.76
10.	Kerala	118.43	126.82	29.37
11.	Madhya Pradesh	78.38	94.31	67.69
12.	Maharashtra	927.56	562.58	721.20
13.	Orissa	128.72	201.72	142.33
14.	Punjab	54.14	99.39	96.75
15.	Rajasthan	151.94	197.77	301.54
16.	Tamil Nadu	502.35	671.69	320.60
17.	Uttar Pradesh	316.09	497.80	369.71
18.	West Bengal	88.24	163.20	85.75
Total		3910.92	3904.24	3000.05

[English]

#### Exemption of Income Tax

5761. SHRI CHHATAR SINGH DARBAR : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have received any representation to exempt Dearness Allowance, received by wage/salary earners from income tax;

(b) if so, the action taken by the Government in this regard; and

(c) if not, the reasons therefor ?

THE MINISTER OF FINANCE (SHRI. P. CHIDAMBARAM) : (a) to (c). The Government receives numerous representations asking for change in tax policy, which are examined as part of budget exercise. The current policy of the Government is reflected in proposals entailed in Finance (No. 2) Bill, 1996, which reiterates the Government's policy to tax dearness allowance under the head 'Income from salaries'.

#### Cotton Policy

5762. SHRI CHHITUBHAI GAMIT : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government propose to formulate a new cotton policy to avoid anarchy in the cotton industry where the prices are manipulated and eliminate the middle man to enable the cotton growers to get more money for their produce and to stabilise the price of cotton in the country;

(b) whether suggestion have also been received or invited by the Government in this regard;

(c) if so, the details thereof; and

(d) by when the new policy is likely to be announced?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) to (d). As per the current policy of the Government, the Union Ministry of Agriculture fixed the minimum support price (MSP) of two varieties of cotton F-414/H-777 and H-4 on the recommendation of commission for Agricultural Costs and prices. MSP for other varieties of cotton are thereafter fixed by the Textile Commissioner based on normal price differentials. Government closely monitors the price of cotton, it being an essential commodity. In the event of the price dipping below the MSP, the Cotton Corporation of India is required to carry out price support operations. However, the price of cotton has continued to be above the MSP for quite some years now. CCI has thus been engaging only in commercial purchases.

#### Supply of Cotton Yarn

5763. SHRI SOUMYA RANJAN : Will the Minister of TEXTILES be pleased to state :

(a) the demand of cotton yarn by handlooms and powerlooms sector during each of the last three years alongwith supply of cotton yarn made during the above period; and

(b) the efforts made by the Government to increase the supply of cotton yarn ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) The demand for cotton yarn depend on a variety of factors such as the demand and prices of cotton cloth, prices of cotton yarn etc. and would vary from time to time. It is therefore, difficult to arrive at quantitative estimates of demand for cotton yarn for handloom as well as Powerloom